

# NOTICE OF PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

## Agency Information

1. Agency: Insurance - Administration  
 Room no.: 3110  
 Building: STATE OFFICE BLDG  
 Street address 1: 450 N MAIN ST  
 Street address 2:  
 City, state, zip: SALT LAKE CITY UT 84114-1201  
 Mailing address 1: PO BOX 146901  
 Mailing address 2:  
 City, state, zip: SALT LAKE CITY UT 84114-6901

## Contact person(s):

Name:	Phone:	Fax:	E-mail:
Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

## Rule Information

DAR file no: 36633 Date filed: 08/09/2012 11:06 AM  
 State Admin Rule Filing Key: 153106  
 Utah Admin. Code ref. (R no.): R 590 - 133 -  
 Changed to Admin. Code ref. (R no.): - -

## Title

2. Title of rule or section (catchline):  
 Variable Contracts.

## Notice Type

3. Type of notice: Amendment

## Rule Purpose

4. Purpose of the rule or reason for the change:  
 The reason this rule is being changed is to remove the word "consultant" from the definition of a "Variable contract producer" and from the "Licensing of Variable Contract Producers" section. This rule is intended to focus on the sale of variable contracts by producers and agents. Since consultants cannot sell insurance the reference to them is being removed. By doing this the rule will more closely follow the National Association of Insurance Commissioner's (NAIC) Model Regulation that most states follow. The change will not affect what producers and consultants are doing in regards to variable contracts.

## Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.  
 No

## Rule Summary

## 6. Summary of the rule or change:

Changes being made to the rule include elimination of the term "consultant," and elimination of the "Enforcement Date" section since there will be no delay in the enforcement of the changes once they become effective.

## Aggregate Cost Information

## 7. Aggregate anticipated cost or savings to:

## A) State budget:

Affected: No

The changes to this rule will have no fiscal impact on the department or the state budget or their workload. No additional filings or regulatory action will be required. The changes simply eliminates from the rule a term that does not apply to the sale of variable contracts.

## B) Local government:

Affected: No

This rule will have no fiscal impact on local governments since it deals solely with the relationship between the department and its licensees.

## C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

The changes to this rule will have no fiscal impact on licensees or other related businesses since it is merely taking out a word that does not relate to the sale of variable contracts. The rule deals with the sale of variable contracts, not to consultations related to them.

## D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

The changes to this rule will have no fiscal impact on licensees or other related businesses since it is merely taking out a word that does not relate to the sale of variable contracts. The rule deals with the sale of variable contracts, not to consultations related to them.

## Compliance Cost Information

## 8. Compliance costs for affected persons:

The changes to this rule will have no fiscal impact on licensees or other related businesses since it is merely taking out a word that does not relate to the sale of variable contracts. The rule deals with the sale of variable contracts, not to consultations related to them.

## Department Head Comments

## 9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

This rule will have no fiscal impact on businesses.

## B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, insurance commissioner

## Citation Information

## 10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :  
31A-2-201(3)

31A-20-106(1)(b)(ii)

## Incorporated Materials

## 11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials

incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):

Publisher:

Date Issued:

Issue, or version:

ISBN Number:

ISSN Number:

Cost of Incorporated Reference:

Adds, updates, removes:

#### Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

10/01/2012

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

#### Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

10/08/2012

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

#### Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- variable insurance

#### File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

#### To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

#### Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information  
Specialist

Date (mm/dd/yyyy): 08/09/2012